First Regular Session Seventy-second General Assembly STATE OF COLORADO

REENGROSSED

This Version Includes All Amendments Adopted in the House of Introduction

LLS NO. 19-0958.01 Bob Lackner x4350

HOUSE BILL 19-1248

HOUSE SPONSORSHIP

Weissman and Cutter, Arndt, Froelich, Galindo, Gonzales-Gutierrez, Kennedy, Michaelson Jenet, Roberts, Sandridge, Singer, Sirota, Snyder

SENATE SPONSORSHIP

Foote,

House Committees

Senate Committees

State, Veterans, & Military Affairs Appropriations

	A BILL FOR AN ACT
101	CONCERNING MEASURES TO PROMOTE TRANSPARENCY ABOUT THE
102	ACTIVITIES OF PERSONS LOBBYING STATE GOVERNMENT
103	OFFICIALS, AND, IN CONNECTION THEREWITH, MAKING AN
104	APPROPRIATION.

Bill Summary

(Note: This summary applies to this bill as introduced and does not reflect any amendments that may be subsequently adopted. If this bill passes third reading in the house of introduction, a bill summary that applies to the reengrossed version of this bill will be available at http://leg.colorado.gov.)

Sections 2 and 3 of the bill clarify that the term "client" used in connection with statutory provisions regulating lobbyists means the person who employs or retains the professional services of one or more

HOUSE 3rd Reading Unamended April 10, 2019

HOUSE Amended 2nd Reading April 9, 2019

Shading denotes HOUSE amendment.

Capital letters or bold & italic numbers indicate new material to be added to existing statute.

Dashes through the words indicate deletions from existing statute.

lobbyists to undertake lobbying on behalf of that person. They also clarify that a professional lobbyist is not, for purposes of the statute, a client of either a lobbying firm or any other person that employs or retains one or more professional lobbyists to undertake lobbying on behalf of one or more clients.

Section 3 clarifies that existing provisions that require heightened disclosure when a lobbyist enters into an agreement to engage in lobbying apply when the general assembly is in regular or special session.

In addition to any other disclosure, during the period that the general assembly is in regular or special session, section 3 also requires a professional lobbyist to notify the secretary of state by means of the electronic filing system within 48 hours after:

- ! The lobbyist agrees to undertake lobbying in connection with new legislation, standards, rules, or rates for either a new or existing client of the lobbyist; or
- ! The lobbyist takes a new position on a new or existing bill for a new or existing client of the lobbyist.

During this period, where the lobbyist either agrees to undertake the expanded representation, the disclosure required by the bill includes the bill number of the legislation at issue and whether the lobbyist's client is supporting, opposing, amending, or monitoring the legislation at the time the lobbyist agrees to undertake lobbying in connection with the legislation or takes a new position.

The bill also states that an attorney who is a professional lobbyist may not decline to disclose his or her lobbying as such lobbying is required to be disclosed on the grounds that the lobbying is protected against disclosure as confidential matters between an attorney and a client.

In connection with any requirement under existing law to disclose the identity of a client, a professional lobbyist who is a natural person and who is employed or retained by a lobbying firm or any other firm or entity may disclose the name of the lobbying firm or other person or entity by means of which, or under the name of which, a professional lobbyist does business, but to satisfy such disclosure requirement the lobbyist is also required to disclose the name of the client who employs or retains the professional services of the lobbyist, or a lobbying firm or any other person or entity that employs or retains the lobbyist, to undertake lobbying on its behalf.

- 1 Be it enacted by the General Assembly of the State of Colorado:
- 2 **SECTION 1. Short title.** This short title of this act is the
- 3 "Lobbyist Transparency Act".

-2- 1248

1	SECTION 2. In Colorado Revised Statutes, 24-6-301, amend (1)
2	as follows:
3	24-6-301. Definitions - legislative declaration. As used in this
4	part 3, unless the context otherwise requires:
5	(1) "Client" means the person who employs OR RETAINS the
6	professional services of a lobbyist ONE OR MORE LOBBYISTS TO
7	UNDERTAKE LOBBYING ON BEHALF OF THAT PERSON. For the purposes of
8	this part 3, a professional lobbyist is not a client of another lobbyist for
9	whom he or she undertakes lobbying on a subcontract basis nor is the
10	professional lobbyist a client of EITHER a lobbying firm OR ANY OTHER
11	PERSON THAT EMPLOYS OR RETAINS ONE OR MORE PROFESSIONAL
12	LOBBYISTS TO UNDERTAKE LOBBYING ON BEHALF OF ONE OR MORE
13	CLIENTS. Where the client is an organization or entity, nothing in this
14	subsection (1) requires the organization or entity to provide the names of
15	any of its shareholders, investors, business partners, coalition partners,
16	members, donors, or supporters, as applicable.
17	SECTION 3. In Colorado Revised Statutes, 24-6-302, amend
18	(6)(a) and (8); and add (6.5) and (9) as follows:
19	24-6-302. Disclosure statements - required - definition.
20	(6) (a) During the period that the general assembly is not in REGULAR OR
21	SPECIAL session, a professional lobbyist shall notify the secretary of state
22	in writing within five working BUSINESS days after an oral or written
23	agreement to engage in lobbying for any person OR CLIENT not disclosed
24	in the registration statement filed pursuant to section 24-6-303 (1). During
25	the period that the general assembly is in REGULAR OR SPECIAL session, a
26	professional lobbyist shall notify the secretary of state after an agreement
27	to engage in lobbying for any person OR CLIENT not disclosed in the

-3- 1248

- registration statement filed pursuant to section 24-6-303 (1), either by means of the electronic filing system created in section 24-6-303 (6.3) or
- 3 by facsimile transmission in accordance with the following:

12

13

14

15

16

17

18

19

- 4 (I) In the case of a written agreement to engage the lobbyist, 5 disclosure shall be made within twenty-four hours after the date of the 6 agreement; and
- (II) In the case of an oral agreement to engage the lobbyist, the disclosure shall be made within twenty-four hours after the date of a subsequent written agreement between the parties, the commencing of lobbying activities, or the date the lobbyist receives any payment on the agreement, whichever occurs first.
 - (6.5) (a) In addition to any other disclosure required by this part 3, during the period that the general assembly is in regular or special session, a professional lobbyist shall notify the secretary of state by means of the electronic filing system created in section 24-6-303 (6.3) within seventy-two hours after:
 - (I) THE LOBBYIST AGREES TO UNDERTAKE LOBBYING IN CONNECTION WITH NEW LEGISLATION, STANDARDS, RULES, OR RATES FOR EITHER A NEW OR EXISTING CLIENT OF THE LOBBYIST; OR
- 20 (II) THE LOBBYIST TAKES A NEW POSITION ON A NEW OR EXISTING
 21 BILL FOR A NEW OR EXISTING CLIENT OF THE LOBBYIST.
- 22 (b) During the period that the general assembly is in Regular or special session, where the lobbyist agrees to Undertake Lobbying in connection with New or existing Legislation for either a new or existing client, the disclosure Required by Subsection (6.5)(a) of this section includes the bill number of the Legislation at issue and whether the Lobbyist's

-4- 1248

- 1 CLIENT IS SUPPORTING, OPPOSING, AMENDING, OR MONITORING THE
- 2 LEGISLATION AT THE TIME THE LOBBYIST AGREES TO UNDERTAKE
- 3 LOBBYING IN CONNECTION WITH THE LEGISLATION OR TAKES A NEW
- 4 POSITION.
- 5 (8) Notwithstanding any other provision of this part 3, an attorney
- 6 who is a professional lobbyist is required to disclose information about the
- 7 clients for whom he or she lobbies in accordance with this part 3 to the
- 8 same extent as a professional lobbyist who is not an attorney. AN
- 9 ATTORNEY WHO IS A PROFESSIONAL LOBBYIST MAY NOT DECLINE TO
- 10 DISCLOSE HIS OR HER LOBBYING AS SUCH LOBBYING IS REQUIRED TO BE
- 11 DISCLOSED IN ACCORDANCE WITH THIS PART 3 ON THE GROUNDS THAT THE
- 12 LOBBYING IS PROTECTED AGAINST DISCLOSURE AS CONFIDENTIAL MATTERS
- 13 BETWEEN AN ATTORNEY AND A CLIENT.
- 14 (9) NOTWITHSTANDING ANY OTHER PROVISION OF THIS PART 3, IN
- 15 CONNECTION WITH ANY REQUIREMENT TO DISCLOSE THE IDENTITY OF A
- 16 CLIENT IN THIS SECTION OR SECTION 24-6-303, "CLIENT" MEANS, IN
- 17 ACCORDANCE WITH SECTION 24-6-301 (1), THE NAME OF THE PERSON WHO
- 18 EMPLOYS OR RETAINS THE PROFESSIONAL SERVICES OF A LOBBYIST, A
- 19 LOBBYING FIRM, OR ANY OTHER PERSON OR ENTITY TO UNDERTAKE
- 20 LOBBYING ON ITS BEHALF. IN CONNECTION WITH ANY REQUIREMENT IN THIS
- 21 SECTION OR SECTION 24-6-303 TO DISCLOSE THE IDENTITY OF A CLIENT, A
- 22 PROFESSIONAL LOBBYIST WHO IS A NATURAL PERSON AND WHO IS
- 23 EMPLOYED OR RETAINED BY A LOBBYING FIRM OR ANY OTHER FIRM OR
- 24 ENTITY MAY DISCLOSE THE NAME OF THE LOBBYING FIRM OR OTHER PERSON
- OR ENTITY BY MEANS OF WHICH, OR UNDER THE NAME OF WHICH, A
- 26 PROFESSIONAL LOBBYIST DOES BUSINESS, BUT TO SATISFY SUCH
- 27 DISCLOSURE REQUIREMENT THE LOBBYIST SHALL ALSO DISCLOSE THE NAME

-5- 1248

2	THE LOBBYIST, OR A LOBBYING FIRM OR ANY OTHER PERSON OR ENTITY
3	THAT EMPLOYS OR RETAINS THE LOBBYIST, TO UNDERTAKE LOBBYING ON
4	ITS BEHALF.
5	SECTION 4. In Colorado Revised Statutes, 24-6-303, add (7) as
6	follows:
7	24-6-303. Registration as professional lobbyist - filing of
8	disclosure statements - certificate of registration - legislative
9	declaration - repeal. (7) (a) NOT LATER THAN JULY 1, 2019, THE
10	SECRETARY OF STATE, REFERRED TO IN THIS SUBSECTION (7) AS THE
11	"SECRETARY", SHALL CONVENE A WORKING GROUP TO CONSIDER UPGRADES
12	TO THE ELECTRONIC FILING SYSTEM REQUIRED BY SUBSECTION (6.3) OF THIS
13	SECTION. THE WORKING GROUP SHALL CONSIDER WAYS TO IMPROVE THE
14	USE OF THE SYSTEM BY MEMBERS OF THE PUBLIC AND BY INDIVIDUALS
15	COVERED BY THIS PART $\overline{3}$ AS WELL AS WAYS TO INCREASE OVERALI
16	TRANSPARENCY AND THE EASE OF THE USE OF DATA REPORTED INTO THE
17	ELECTRONIC FILING SYSTEM. THE WORKING GROUP MUST MEET AT LAST
18	ONCE PRIOR TO DECEMBER 31, 2019, AND MAY MEET AS OFTEN AS THE
19	SECRETARY DEEMS NECESSARY TO ACHIEVE THE PURPOSES OF THIS
20	SUBSECTION (7). THE WORKING GROUP SHALL INCLUDE REPRESENTATIVES
21	OF ORGANIZATIONS THAT ADVOCATE FOR GOVERNMENT TRANSPARENCY
22	AND INDIVIDUALS REQUIRED TO REGISTER AND MAKE DISCLOSURE UNDER
23	THIS PART 3. THE SECRETARY MAY PROMULGATE RULES TO GOVERN THE
24	WORKING GROUP ESTABLISHED BY THIS SUBSECTION (7)(a).
25	(b) The secretary shall report the conclusions of the
26	WORKING GROUP AS PART OF THE PRESENTATION OF THE DEPARTMENT OF
27	STATE TO ITS COMMITTEE OF REFERENCE AT A HEARING HELD PURSUANT TO

OF THE CLIENT WHO EMPLOYS OR RETAINS THE PROFESSIONAL SERVICES OF

-6- 1248

1	SECTION 2-7-203 (2)(a) OF THE "STATE MEASUREMENT FOR
2	ACCOUNTABLE, RESPONSIVE, AND TRANSPARENT (SMART) GOVERNMENT
3	ACT".
4	(c) This subsection (7) is repealed, effective March 1, 2020.
5	SECTION 5. Appropriation. For the 2019-20 state fiscal year,
6	\$38,160 is appropriated to the department of state for use by the
7	information technology division. This appropriation is from the
8	department of state cash fund created in section 24-21-104 (3)(b), C.R.S.
9	To implement this act, the division may use this appropriation for personal
10	services.
11	SECTION 6. Effective date - applicability. (1) This act takes
12	effect upon passage; except that section 24-6-302 (6.5), Colorado Revised
13	Statutes, as enacted in section 2 of this act, takes effect January 1, 2020.
14	(2) This act applies to the required disclosure of information on or
15	after the applicable effective date of this act.
16	SECTION 7. Safety clause. The general assembly hereby finds,
17	determines, and declares that this act is necessary for the immediate
18	preservation of the public peace, health, and safety.

-7- 1248